ARIZONA CORPORATION COMMISSION UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY



APITION

PONDEROSA UTILITY CORPORATION 3A OSAGE STREET FLAGSTAFF, AZ 86001



MAR 2 0 2008

AZ CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12 31 2007

FOR COMMISSION USE

ANN 04

07



SCANNED

COMPANY INFORMATION

Company Name (Business Name)	PONDEROSA UTILITY COR	<u> </u>	
Mailing Address <u>3A OSAGE S</u>	TREET		
(Street)			
FLAGSTAFF (City)	AZ (State)		5001
	, ,	, —	
(928) 525-6210 Telephone No. (Include Area Code)	(928) 525-9444 Fax No. (Include Area Code)	Cell No. (Incl	ude Area Cod
		*	uge Alva COO
Email Address			
Local Office Mailing Address SA	ME AS ABOVE (Street)		
(City)	(State)	(Zi	(p)
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Inclu	ide Area Code
Email Address			
MA	NAGEMENT INFORMATIO	<u>ON</u>	
MA		ON (Titl	e)
MA Management Contact: SUSA	N TEN PAS(Name)	(Titl	
MA	N TEN PAS(Name)		
MA Management Contact: SUSA 3A OSAGE STREET (Street) (928) 525-6210	N TEN PAS (Name) FLAGSTAFF	(Titl _AZ_ (State)	86001
MA Management Contact: SUSA 3A OSAGE STREET (Street)	N TEN PAS (Name) FLAGSTAFF (City)	(Titl _AZ_ (State)	<u>86001</u> (Zip)
MA Management Contact: SUSA 3A OSAGE STREET (Street) (928) 525-6210 Telephone No. (Include Area Code)	N TEN PAS (Name) FLAGSTAFF (City) (928) 525-9444	(Titl <u>AZ</u> (State)	<u>86001</u> (Zip)
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Management Contact: SUSA 3A OSAGE STREET (Street) (928) 525-6210 Telephone No. (Include Area Code) Email Address On Site Manager: SAME AS A	N TEN PAS (Name) FLAGSTAFF (City) (928) 525-9444 Fax No. (Include Area Code) ABOVE (Name)	(Titl AZ (State) Cell No. (Include)	86001 (Zip) de Area Code)
Management Contact:SUSA 3A OSAGE STREET (Street) (928) 525-6210 Telephone No. (Include Area Code) Email Address On Site Manager:SAME AS A (Street) Telephone No. (Include Area Code)	N TEN PAS (Name) FLAGSTAFF (City) (928) 525-9444 Fax No. (Include Area Code) ABOVE (Name) (City)	(Titl AZ (State) Cell No. (Include)	86001 (Zip) de Area Code)
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Management Contact: SUSA 3A OSAGE STREET (Street) (928) 525-6210 Telephone No. (Include Area Code) Email Address On Site Manager: SAME AS A	N TEN PAS (Name) FLAGSTAFF (City) (928) 525-9444 Fax No. (Include Area Code) ABOVE (Name) (City)	(Titl AZ (State) Cell No. (Include)	86001 (Zip) de Area Code)

Statutory Agent: SAME AS AB	<u>OVE</u>	
	(Name)	
(Street)	(City)	(State) (Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code	Cell No. (Include Area Code)
Attorney:		
	(Name)	
(Street)	(City)	(State) (Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address		
Please mark this box if the above ac	ddress(es) have changed or are u	pdated since the last filing.
OW	NERSHIP INFORMATION	<u>N</u>
Check the following box that applies to y	our company:	
Sole Proprietor (S)	C Corporation (C)	(Other than Association/Co-op)
Partnership (P)	Subchapter S Corp	poration (Z)
Bankruptcy (B)	Association/Co-op	(A)
Receivership (R)	Limited Liability (Company
Other (Describe)	3	
	COUNTIES SERVED	
Check the box below for the county/ies in	n which you are certificated to pro	vide service:
□ АРАСНЕ	☐ COCHISE	⊠ COCONINO
☐ GILA	☐ GRAHAM	☐ GREENLEE
☐ LA PAZ	☐ MARICOPA	☐ MOHAVE
☐ NAVAJO	☐ PIMA	☐ PINAL
☐ SANTA CRUZ	☐ YAVAPAI	☐ YUMA
☐ STATEWIDE		

UTILITY PLANT IN SERVICE AS OF 01/31/08

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	1,443		1,443
302	Franchises			
303	Land and Land Rights	1,361		1,361
304	Structures and Improvements	127,085	88,342	38,743
307	Wells and Springs	223,844	106,509	117,335
311	Pumping Equipment	62,750	54,945	7,805
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	71,548	67,861	3,687
331	Transmission and Distribution Mains	184,964	184,964	0
333	Services	34,173	34,173	0
334	Meters and Meter Installations	59,743	57,562	2,181
335	Hydrants	5,609	5,609	(0)
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	558	143	415
340	Office Furniture and Equipment	20,401	16,986	3,415
341	Transportation Equipment	63,398	59,422	3,976
343	Tools, Shop and Garage Equipment	27,530	20,350	7,180
344	Laboratory Equipment			
345	Power Operated Equipment	1,342	633	709
346	Communication Equipment			_
347	Miscellaneous Equipment	4,716	3,563	1,153
348	Other Tangible Plant			
	TOTALS	890,465	701,062	189,403

This amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR AS OF 01/31/08

Acct.		Original	Depreciation	Depreciation
No.	DESCRIPTION	Cost (1)	Percentage (2)	Expense (1x2)
301	Organization	1,443		
302	Franchises			
303	Land and Land Rights	1,361		
304	Structures and Improvements	127,085	3.33%	4,162
307	Wells and Springs	223,844	3.33%	
311	Pumping Equipment	62,750	12.50%	I
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	71,548	2.22%	1,588
331	Transmission and Distribution Mains	184,964	2.00%	0
333	Services	34,173	3.33%	
334	Meters and Meter Installations	59,743	8.33%	<u> </u>
335	Hydrants	5,609	2.00%	
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	558	6.67%	37
340	Office Furniture and Equipment	20,401	6.67%	
341	Transportation Equipment	63,398	20.00%	
343	Tools, Shop and Garage Equipment	27,530	5.00%	
344	Laboratory Equipment			
345	Power Operated Equipment	1,342	5.00%	67
346	Communication Equipment			
347	Miscellaneous Equipment	4,716	10.00%	472
348	Other Tangible Plant			
	SUBTOTALS	890,465		40,967
	CIAC Amortization	333, 100		1,912
	TOTALS			39,055

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.



To the Board of Directors of Ponderosa Utility Corporation Scottsdale, Arizona

We have compiled the balance sheet of Ponderosa Utility Corporation (a corporation) as of January 31, 2008 and 2007, and the comparative statement of income and expense for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

All other information contained in the accompanying prescribed form has not been audited, reviewed, or compiled by us and, accordingly, we assume no responsibility for that information.

ULLMANN & COMPANY, P.C. Certified Public Accountants

Wilmon & Company

March 4, 2008

BALANCE SHEET

1/31/2007 1/31/2008

Acct. No.		LANCE AT INNING OF	 LANCE AT END OF
	ASSETS	 YEAR	 YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 14,094	\$ 9,635
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	21,864	23,321
146	Notes/Receivables from Associated Companies	215	(211)
151	Plant Material and Supplies	1,955	 1,955
162	Prepayments	2,346	70
174	Miscellaneous Current and Accrued Assets		
_	TOTAL CURRENT AND ACCRUED ASSETS		
		\$ 40,474	\$ 34,770
-	FIXED ASSETS		
101	Utility Plant in Service	\$ 868,420	\$ 890,465
103	Property Held for Future Use		•
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	660,095	701,062
121	Non-Utility Property	, , , , , , , , , , , , , , , , , , , ,	
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 208,325	\$ 189,403
	TOTAL ASSETS	\$ 248,799	\$ 224,173

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

BALANCE SHEET (CONTINUED)

1/31/2007 1/31/2008 Acct. **BALANCE AT BALANCE AT** No. **BEGINNING** END OF LIABILITIES OF YEAR **YEAR CURRENT LIABILITES** Accounts Payable 231 \$ \$ 673 232 Notes Payable (Current Portion) 234 Notes/Accounts Payable to Associated Companies 235 Customer Deposits 11,499 15,219 236 Accrued Taxes 13,229 13,485 237 Accrued Interest 241 Miscellaneous Current and Accrued Liabilities TOTAL CURRENT LIABILITIES \$ 24,728 \$ 29,377 LONG-TERM DEBT (Over 12 Months) 224 Long-Term Notes and Bonds \$ \$ **DEFERRED CREDITS** 251 Unamortized Premium on Debt 252 Advances in Aid of Construction 23,100 21,520 255 Accumulated Deferred Investment Tax Credits 271 Contributions in Aid of Construction 95,595 95,595 272 Less: Amortization of Contributions 61,522 63,434 281 Accumulated Deferred Income Tax TOTAL DEFERRED CREDITS \$ 57,173 | \$ 53,681 TOTAL LIABILITIES \$ 81,901 \$ 83,058 **CAPITAL ACCOUNTS** 201 Common Stock Issued \$ 52,541 52,541 \$ 211 Paid in Capital in Excess of Par Value 29,091 29,091 215 Retained Earnings 85,266 59,483 218 Proprietary Capital (Sole Props and Partnerships) TOTAL CAPITAL \$ 166,898 \$ 141,115 TOTAL LIABILITIES AND CAPITAL 248,799 \$ 224,173

COMPANY NAME

PONDEROSA UTILITY CORPORATION

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

1/31/2007

1/31/2008

Acct. No.	OPERATING REVENUES	PRIC	OR YEAR	CURRENT	YEAR
461	Metered Water Revenue	\$	257,986	\$	269,601
460	Unmetered Water Revenue				
474	Other Water Revenues		2,050		1,900
	TOTAL REVENUES	\$	260,036	\$	271,501
	OPERATING EXPENSES				
601	Salaries and Wages	\$	93,178	\$	93,928
610	Purchased Water				
615	Purchased Power		23,801		25,031
618	Chemicals				
620	Repairs and Maintenance		11,178		16,405
621	Office Supplies and Expense		7,060		7,673
630	Outside Services		8,214		7,809
635	Water Testing		1,938		2,070
641	Rents				
650	Transportation Expenses		9,681		15,011
657	Insurance - General Liability		5,137		1,416
659	Insurance - Health and Life				
666	Regulatory Commission Expense - Rate Case				
675	Miscellaneous Expense		13,603		13,997
403	Depreciation Expense		37,354	<u> </u>	39,055
408	Taxes Other Than Income		11,748		10,190
408.11	Property Taxes		9,908		9,526
409	Income Tax		7,694		7,690
	TOTAL OPERATING EXPENSES	\$	240,494	\$	249,801
	OTHER INCOME/EXPENSE				
419	Interest and Dividend Income				
421	Non-Utility Income				
426	Miscellaneous Non-Utility Expenses				
427	Interest Expense		107		275
	TOTAL OTHER INCOME/EXP	\$	(107)	\$	(275)
	NET INCOME/(LOSS)	\$	19,435	\$	21,425

SUPPLEMENTAL FINANCIAL DATA Long-Term Debt

	LOAN	#1 LOA	N #2 LO	AN #3 L(OAN #4
Date Issued					
Source of Loan					
ACC Decision No.					
Reason for Loan					
Dollar Amount Issued	\$	\$	\$	\$	
Amount Outstanding	\$	\$	\$	\$	
Date of Maturity					
Interest Rate		%	%	%	%
Current Year Interest	\$	\$	\$	\$	
Current Year Principle	\$	\$	\$	\$	

Meter Deposit Balance at Test Year End	\$ 21,520
Meter Deposits Refunded During the Test Year	\$ 4,000

COMPANY NAME	PONDEROSA UTILITY CORPORATION
Name of System:	ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-806223	30	75	950	10	3	
55-566882	40	120	1120	8	3	1998

^{*} Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		DRANTS
Horsepower Quantity		Quantity Other
1	29	
4		
4		
		Quantity Quantity Standard

Quantity	Capacity	Quantity
1		~ <i>'</i>
1	5000	1
1	3000	1
1	1100	1
1		
1		· · · · · · · · · · · · · · · · · · ·
1		
1		
	1 1 1 1 1	

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	PONDEROSA UTILITY CORPORATION	
Name of System:	ADEQ Public Water System Number:	,

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	6550
3	PVC	10355
4	PVC	14220
5		
6	PVC	15110
8	·	
10		
12	-	

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X ³ / ₄	573
3/4	2
1	15
1 1/2	1
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

roi the following three items, list t	ne utility owned a	issets in each cate	gory for each sy	stem.	
TREATMENT EQUIPMENT:					
					-
STRUCTURES:					
			 	 	
OTHER:					
					-

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME:	PONDEROSA UTILITY CORPORATION
Name of System:	ADEQ Public Water System Number:

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	539	1650	2316	(Thousands)
FEBRUARY	535	1659	2426	
MARCH	535	2160	2223	
APRIL	541	1822	2464	•
MAY	545	3062	3709	
JUNE	557	3320	4098	
JULY	560	3482	4325	
AUGUST	558	2569	2997	
SEPTEMBER	554	2358	2811	
OCTOBER	551	1870	2988	
NOVEMBER	551	1996	2303	
DECEMBER	547	1962	2759	
	$TOTALS \longrightarrow$	27910	35419	

What is the level of arsenic for each well on your system? <u>Well #10015</u> mg/l (If more than one well, please list each separately.) Well #20025
If system has fire hydrants, what is the fire flow requirement? _1000/1500_GPM for _2_hr
If system has chlorination treatment, does this treatment system chlorinate continuously? () Yes () No
Is the Water Utility located in an ADWR Active Management Area (AMA)? () Yes (X) No
Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement? () Yes (X) No
If yes, provide the GPCPD amount:

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME_	PONDEROSA UTILITY CORPORATION	YEAR ENDING 12/31/2007					
	PROPERTY TAXES						
Amount of actual prope	Amount of actual property taxes paid during Calendar Year 2007 was: \$ 9,717						
Attach to this annual reproperty tax payments)	port proof (e.g. property tax bills stamped "paid in of any and all property taxes paid during the calend	full" or copies of cancelled checks for dar year.					
If no property taxes paid	d, explain why						
	· 						

Payment in U.S. FUNDS ONLY

2006 SECOND HALF PAYMENT COUPON

ONDEROSA UTILITY CORP 120-90-106 3 0072200

Jeffingdency Bate Second Hair Payment renalty for late payment is 16% per year prorated monthly as of the 1st day of the nonth for payments postmarked after 5:00 3M. may 1, 2007 (ARS 42-18052 and ARS 42-18053).

Bonny Lynn

Coconino County Treasurer 110 E Cherry Ave Flagstaff AZ 86001-4627

TO PAY 2ND HALF

PAY

4,954.03

If your mortgage company makes your property tax payments consider this notice as a courtesy copy for your records only.



Halallalla.Haralldaldlardladallfladd Bonny Lynn Coconino County Treasurer 110 E Cherry Ave Flagstaff AZ 86001-4627

2006 9209010603 2 00000099080600000495403

BY ENDORSEMENT. THIS CHECK IS ACCEPTED IN FULL PAYMENT OF THE FOLLOWING ACCOUNTS: DATE AMOUNT Pacal # P20-90-106-3	PONDEROSA UTILITY CORPORATION 3A OSAGE ST. FLAGSTAFF, AZ 86001 (928) 525-6210 DATE 3-9-07 FORCEDOR TO Business	
	PAY TO THE ORDER OF BONNY LYNN - COCONINO CO. TREASURER \$ 4954.03 CONTRACTOR OF BONNY LYNN - COCONINO CO. TREASURER \$ 4954.03 FOUR THOUSAND NINE HUNDRED FIFTY-FOUR X XX DOLLARS IN COLUMN STATES OF SHARES	
TOTAL FOR 2 ml/2 - 2004 - Prop.	BII 1:1221017061: 00023564986911	

Coconino County Treasurer Tax Receipt

Phone: (928)779-6615

BATCH:

Pg: 1

5279346

CNTR

Payment Date:

4/05/2007

Interest Date:

4/05/2007

Printed by:

LPOND

Paid by: PONDEROSA UTILITY CORP CK 5778

3A OSAGE STREET

FLAGSTAFF, AZ 86001

Description

Amount

Balance DuPA II paid by

920-90-106 2006 TAXES

4,954.03 4,954.03 * APR 0 5 2007

TOTL TOTAL PAID

4,954.03

BONNY K. LYNN COCUNINO COUNTY TREASURER

The balance due might contain amounts from

previous delinquent years.

TOTAL VALUE OF OPERATING PROPERTY

115-06-002-B

36,209 115-08-015

15,216

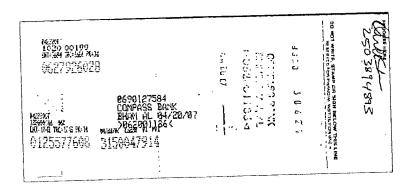
115-11-107-B

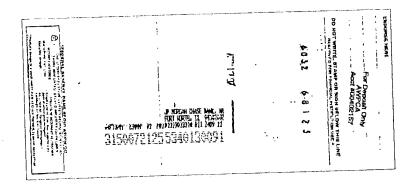
17,325 116-65-020-A

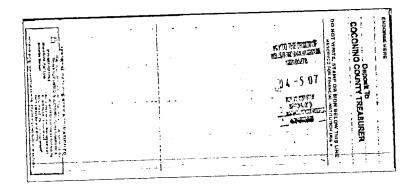
500

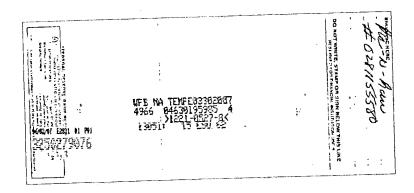
116-65-021-A

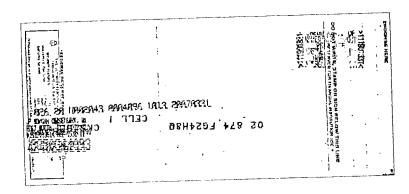
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	and a superior of the superior			OUTILY			
PARCEL #						2007 TAX SUMMARY	
920-90-106	3 0106	4.2932	4.9734				4,482.10
ASSESSMENT	i dannadir.	तर कर्म कर्म अन्य स्थापन		H Nevale			0.00
	126,468	•	352 0	4.2932	1,303.07	# 15 1 to 143 4 5 1 110 CONT. NO EDECTOR PROMES.	4 400 30
	508,532	24.0 74,	048 0	4.2932	3,179.03	- CALL COMPANIES AND THE	4,482.10
	435,000	104,	400 0	1	4,482.10		5,044,14
	70,352	24.0 16,	884 0	4.9734	839.70	and the second s	0,047714
and the supplementation of the same of	56,116	24.0 13,	468 0	4.9734	669.82		0.00
	308,532	24.0 74,	048 0	4.7734	3,534.62		0 500 01
a a property Management as	435,000	104,	400 0	•	5,044.14	and include the factor	9,526.24
	ACREAGE:	.88					

0073660 SITUS ADDRESS: NULL

LEGAL DESCRIPTION:

TOTAL VALUE OF OPERATING PROPERTY 115-06-002-B 36,209 115-08-015 15,818 115-11-107-B 17,325 116-65-020-A 500 116-65-021-A 500

	The product of the control of		
02000	COCONINO COUNTY	445.03	457.58
07001	FLAGSTAFF SD #1	5,681,68	4,981.24
08150	COMMUNITY COLLEGE	507.31	507.91
11240	HIGHLANDS FD	2,888.55	3,132.00
11900	FIRE DISTRICT ASSIST	96,29	104.40
14900	COCONINO CO LIBRARY	182.84	230.21
15000	COCONINO COUNTY FCD	58,23	60.71
30001	JOINT VOCATIONAL TEC	48.13	52.19

. .

This is the only notice you will receive.

Bonny Lynn Coconino County Treasurer 110 E Cherry Ave Flagstaff AZ 86001-4627

> THIS IS A CALENDAR YEAR TAX NOTICE

920-90-106 3 0010082 01 AV 0 312 - AUTO - 19 Q 0788 860Q1-9594U

i des IVIII ES e delección que qua Cilento en la Celsión La escar el escar di Abraba (10 en la Peup Sindio).

PONDEROSA UTILITY CORP SUSAN TEN PAS/PRESIDENT 3A OSAGE STREET FLAGSTAFF AZ 86001-9594

PARCEL NUMBER

9,908.06

9,526.24

PAYMENT INSTRUCTIONS
To pay the 1st half installment and tax notices under \$100, send the 1st half couper with your payment postmarked no later than To pay the 2nd half installment, send the and half coupon with your payment postmarked no later than to pay taxes for the full year if the entire amount billed per notice exceeds \$100, send the 1st half coupon with your payment postmarked no later than.

Delinquent interést will be waived.

Bonny Lynn Coconino County Treasurer 110 E Cherry Ave. Flagstaff AZ 86001-4627

2007 FIRST HALF PAYMENT COUPON

PONDEROSA UTILITY CORP

920-90-106 3 Roll Number: 0073660

tino liate dig, mentils 10°s per , car di oraled , las of de 1st da, or the mount for payments la reulane. **5:00 P.M.** -0 -1 E0 80 and ARS 40 -1 80 d 3

in a property tax notice or \$10% or less must could in full or ng the first payment coupon 5:00 P.M.

Line layes to the full year send the 1st half Line land your salment pullmarked no later than . Delicopera interest will be walked

Bonny Lynn Coconino County Treasurer 110 E Cherry Ave Flagstaff AZ 86001-4627

TO PAY 1ST HALF ONLY PAY

TO PAY FULL YEAR TAX

4,763.12

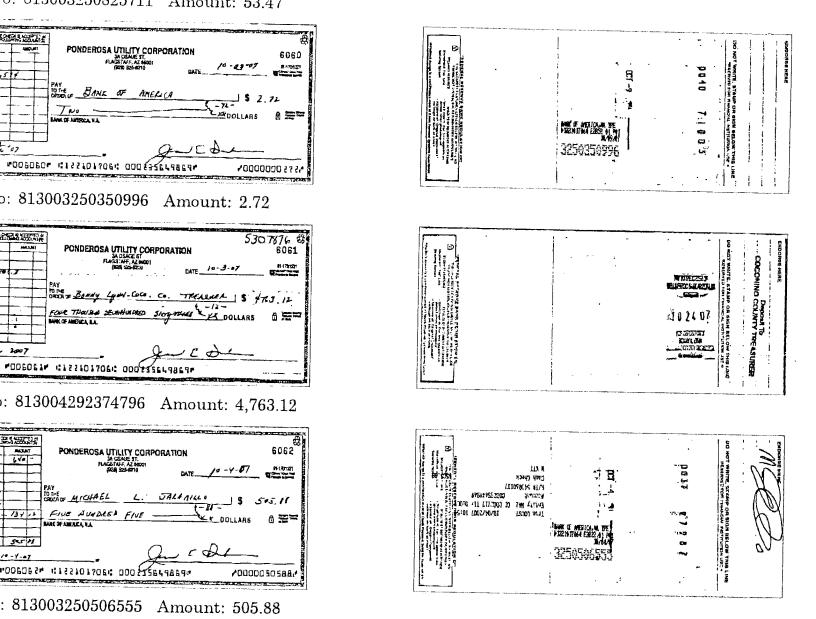
Payment in U.S. FUNDS Chair

If your mortgage company makes your property tax payments consider this notice as a courtesy copy for your records only.

ing the same of the factor

Bonny Lynn Coconino County Treasurer 110 E Cherry Ave Flagstaff AZ 86001-4627

2007 9209010603 1 00000095262400000476312



Check Image Continues on Next Page

VERIFICATION AND SWORN STATEMENT Taxes

RECEIVED

MAR 2 0 2008

AZ CORP COMM Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	
COCONINO	
NAME (OWNER OR OFFICIAL) TITLE	
SUSAN TEN PAS, PRESIDENT	
COMPANY NAME	
PONDEROSA UTILITY CORPORATION	

<u>DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION</u>

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

		PENERLY L POUDEUOUT
7	WILLIAM	BEVERLY J. ROUGEMONT
4	PROMETO	Notary Public - Arizona 👗
1		Coconino County
7	1600	My Commission Expires
1	Carlo Salar	August 16, 2009 🧗
** \$1	RESIDENCE CHESE	The second secon

Susar S. Jensons
SIGNATURE OF OWNER OR OFFICIAL

428-525-12210

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF	COUNTY NAME	
THIS DAY OF	MONTH / / / A COCA	.20 <u></u>
(SEAL)	and show	semat
IV COMMISSION EXPIRES LICE 16 2009	SIGNATURE OF NOTARY	PUBLIC

COMPANY NAME PONDEROSA UTILITY CORPORATION YEAR ENDING 12/31/2007 **INCOME TAXES** For this reporting period, provide the following: Federal Taxable Income Reported 34,451 Estimated or Actual Federal Tax Liability <u>5,168</u> State Taxable Income Reported 36,260 Estimated or Actual State Tax Liability 2,522 Amount of Grossed-Up Contributions/Advances: Amount of Contributions/Advances Amount of Gross-Up Tax Collected N/A Total Grossed-Up Contributions/Advances

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

N/A

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

PECEIVED

VERIFICATION AND SWORN STATEMENT

MAR 2 0 2008

Intrastate Revenues Only

AZ CORP COMM Director Utilities

VERIFICATION	
STATE OF ARIZONA	
I, THE UNDERSIGNED	

OF THE

COUNTY OF (COUNTY NAME)

COCONINO

NAME (OWNER OR OFFICIAL) TITLE

SUSAN TEN PAS, PRESIDENT

COMPANY NAME

PONDEROSA UTILITY CORPORATION

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH DAY YEAR
12 31 2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM <u>ARIZONA INTRASTATE</u> <u>UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:</u>

	Arizona Intrastate Gross Operating Revenues Only (\$)
	\$ <u>285,858</u>
	(THE AMOUNT IN BOX ABOVE
	INCLUDES \$ 18,452
	IN SALES TAXES BILLED, OR COLLECTED)
*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL) SUBSCRIBED AND SWORN TO BEFORE ME	BEVERLY J. ROUGEMONT Notary Public - Arizona Coconino County My Commission Expires August 16, 2029 SIGNATURE OF OWNER OR OFFICIAL 9 28 - 525 - 656 TELEPHONE NUMBER
A NOTARY PUBLIC IN AND FOR THE COUNTY OF	COUNTY NAME / I CO CO
THIS DAY OF	MONTH VV and 2008
(SEAL)	Been Mousemal
AY COMMISSION EXPIRES LICES (4, 2007	SIGNATURE OF NOTARY PUBLIC

VERIFICATION AND **SWORN STATEMENT**

RESIDENTIAL REVENUE

Intrastate Revenues Only

DECEIVED

MAR 2 0 2008

WOORP COMM **VERIFICATION**

Linector Utilities STATE OF ARIZONA COUNTY OF (COUNTY NAME) COCONINO NAME (OWNER OR OFFICIAL) TITLE PRESIDENT SUSAN TEN PAS I, THE UNDERSIGNED COMPANY NAME PONDEROSA UTILITY CORPORATION

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

MONTH DAY YEAR FOR THE YEAR ENDING 12 31 2007

> HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GRE \$285,8		INCLUD	OUNT IN BOX AT LEFT ES \$ <u>18,452</u> S TAXES BILLED, OR CO	LLECTED)
*RESIDENTIAL REVEI MUST INCLUDE SAL			husan I Je SIGNATURE OF OWNER OR OFFICIAL	n Pas
			938-525-6310 TELEPHONE NUMBER)
SUBSCRIBE	ED AND SWORN TO	BEFORE ME	NOTARY PUBLIC NAME LEVEN (4) POLI	gornat
A NOTARY	PUBLIC IN AND FO	OR THE COUNTY OF	COUNTY NAME	
THIS	1.2	DAY OF	MONTH MARCL	.20 <u>C</u> }

BEVERLY J. ROUGEMONT Notary Public - Arizona MISSION EXBIRES le Commission Expires August 16, 2009